

WVPE-FM RADIO

(A Public Telecommunications Entity Operated as a
Department of the Elkhart Community Schools)
Elkhart, Indiana

FINANCIAL STATEMENTS

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WVPE-FM Radio
Elkhart, Indiana

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying cash basis fund financial statements of WVPE-FM Radio (WVPE or Department) of the Elkhart Community School District (District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Department's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the Department, as of December 31, 2025, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Relationship to School District

As discussed in Note 1, the financial statements of the Department are intended to present only the District's fund attributable to the transactions of the Department. They do not purport to, and do not, present fairly the cash basis financial position of the District as of December 31, 2025, or the changes in its cash basis financial position for the year then ended in accordance with the cash basis of accounting. Our opinions are not modified with respect to this matter.

Emphasis of Matter—Basis of Accounting and Change in Accounting Framework

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. Effective January 1, 2025, the Department changed its basis of accounting from accounting principles generally accepted in the United States of America (GAAP) to the cash basis of accounting, which is a basis of accounting other than GAAP. Our opinions are not modified with respect to this matter.

(Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raises substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
May 29, 2026

WVPE-FM RADIO
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BALANCE SHEET – CASH BASIS
As of December 31, 2025

Assets:	
Cash and Cash Equivalents	\$ 480,210
Total Assets	<u>480,210</u>
Fund Balance:	
Restricted	19,965
Assigned for radio station	460,245
Total Fund Balance	<u>\$ 480,210</u>

See notes to financial statements.

WVPE-FM RADIO
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 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
 CHANGES IN CASH FUND BALANCE
 As of and for the year ended December 31, 2025

Cash Receipts

Grants from state and local agencies	\$ 219,911
Public broadcasting grants	61,605
Special project grants	55,095
Underwriting support	471,707
Membership contributions	1,387,980
Total receipts	2,196,298

Cash Disbursements

Current	
Program services:	
Local programming and production	605,424
Program information	39,952
Broadcasting	347,774
Support services:	
Fundraising	310,965
Management and general	1,177,457
Capital outlay	36,309
Total disbursements	2,517,881

Excess of Cash Disbursements over Cash Receipts (321,583)

Cash fund balance, beginning of year 801,793

Cash fund balance, end of year \$ 480,210

See notes to financial statements.

WVPE-FM RADIO
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: WVPE-FM Radio (WVPE or Department) is a public radio station operated by the Elkhart Community Schools (the District) as a noncommercial public radio station. The financial statements reflect only the activity of the Department and are not intended to present fairly the financial position of the District and the results of its operations. The WVPE fund is the only governmental fund of the Department. It is classified as a major fund for the Department and accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Corporation for Public Broadcasting Community Service Grants: The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization. Also, the grants may be used to sustain activities that began with CSGs awarded in prior years. A portion of funds may be restricted and used exclusively for the acquisition, production, promotion, and/or distribution of national programming. Remainder of funds may be used at the discretion of recipients.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission. The CSGs are reported in the accompanying fund financial statements as public broadcasting grant revenue.

Basis of Accounting: The financial statements are presented in accordance with a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. As a result, only cash and cash equivalents and related fund balance arising from cash transactions are reported in the balance sheet. All other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this cash basis presentation. There are no modifications to the cash basis.

Effective January 1, 2025, the Department elected to change its financial reporting framework from accounting principles generally accepted in the United States of America (GAAP) to the cash basis of accounting. To reflect the cumulative effect of changing to the cash basis of accounting, the beginning fund balances as of January 1, 2025, have been restated as follows:

Beginning GAAP basis fund balance as originally reported	\$ 551,006
Deduct: noncash assets	(259,816)
Add: liabilities and deferred inflow of resources	<u>510,603</u>
Restated beginning fund balance-cash basis	<u>\$ 801,793</u>

(Continued)

WVPE-FM RADIO
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NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Because noncash assets and deferred outflows of resources as well as liabilities and deferred inflows are not recognized under the cash basis framework, these balances were eliminated in the conversion from GAAP to cash basis accounting.

Fund Balance: At December 31, 2025, management has reported \$19,965 of grant funds restricted for a specific program use for news reporting.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2025, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2025. Management has performed their analysis through May 29, 2026, the date the financial statements were available to be issued.

Recent Accounting Pronouncements: In December 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102, Certain Risk Disclosures. Because the Department prepares its financial statements on the cash basis of accounting, which is a special-purpose framework other than GAAP, the formal provisions of this standard do not strictly apply. Management has evaluated the Department's operational concentrations and constraints and determined that no risk disclosures are required for the period ended December 31, 2025.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Department maintains no directly held bank accounts. Rather, the Department's funds are held and managed by the District in the District's general account. The Department's "demand deposits" were held at the District in the amount of \$480,210 for the year ended December 31, 2025. As of December 31, 2025, the Department did not hold any investments. There were no significant reconciling items between the bank balance and book balance of the cash account.

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

NOTE 3 - RISK MANAGEMENT

The Department may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Department to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participating in a risk pool is to provide a medium for the funding and administration of the risks. The Department has purchased insurance to address the risks described above.

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December 31, 2025

NOTE 4 - PENSION PLAN

The District is a participant of the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS). The Department has been allocated a proportionate share based on contributions to PERF for Department employees.

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through INPRS in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which governs most requirements of the system and gives the District authority to contribute to the plan.

Employers' contributions were 11.2% of covered payroll with contributions of approximately \$112,000 paid during the year. Members' contributions were 3.00% of covered payroll. Employer contributions are recognized as expenditures when paid. No liability or deferred inflows or outflows are recorded under the cash basis of accounting.

INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS

Through the District, the Department provides benefits to eligible retirees and their spouses to participate in the Department's health insurance plan solely at the retiree's expense. Information regarding the benefits can be obtained by contacting the District.

The Department may incur future costs associated with these benefits; however, no liability is recorded under the cash basis of accounting.